

## Message Text

UNCLASSIFIED

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ACTION EUR-12

INFO OCT-01 EA-10 IO-10 ISO-00 AGR-10 AID-05 CEA-01

CIAE-00 COME-00 EB-07 FRB-01 INR-07 NSAE-00 CIEP-02

SP-02 STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01

EURE-00 /079 W

----- 041521

P R 231538Z MAY 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 8933

INFO AMEMBASSY MANILA

AMEMBASSY PARIS

USMISSION GENEVA

UNCLAS EC BRUSSELS 04626

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: EC WHEAT EXPORT SUBSIDIES

REF: (A) FASTO CIRCULAR 248; (B) EC BRUSSELS 04539

1. ON MEY 23, MISSION OFFICER SPOKE WITH DE GRUBEN OF GRAINS DIVISION, EC COMMISSION, REGARDING RECENT PRICE QUOTATIONS FOR FRANCH SOFT WHEAT OF DOLS 139.50 AND 132.87/M.T., C.I.F. PHILIPPINES (REF.A). WE ALSO ASKED HIM ABOUT REPORTS WE HAD RECEIVED FROM OUR TRADE SOURCES THAT (A) FRENCH WHEAT WAS BEING OFFERED UP UNTIL MAY 22 IN INDIA AT DOLS 131 C. AND F. (DOLS 113 PLUS DOLS 18 FREIGHT THROUGH SUEZ CANAL AND THAT (B) THE EXPORT PRICE OF AS OF MAY 23 ALL EC WHEAT WAS DOLS 10 HIGHER BECAUSE OF DECREASES IN EC SUBSIDIES AND CORRECTIVE AMOUNTS.

2. DE GRUBEN CONFIRMED ALL THE PRICE QUOTATIONS IN PARAGRAPH 1 AND SAID THESE PRICES WERE AT NORMAL WORLD MARKET LEVELS.

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HE SAID THAT U.S. SOFT RED WINTER RECENTLY HAS BEEN QUOTED AT

DOLS 114 F.O.B. IN ATLANTIC PORTS AND WAS NOW AT DOLS 120  
F.O.B. BALTIMORE WHICH IS THE SAME PRICE AS FRENCH  
WHEAT F.O. B IN ROUEN.

3. DE GRUBEN ALSO CONFIRMED THAT EFFECTIVE MAY 23 THE  
COMMISSION HAD REDUCED EC WHEAT SUBSIDIES BY 2 U.A./M.T. AND  
ELIMINATED THE CORRECTIVE AMOUNT OF 5 U.A./  
M.T. FOR JUNE, JULY AND AUGUST DELIVERIES. THIS HAS THE EFFECT  
OF REDUCING THE TOTAL EC SUBSIDY LEVEL BY 7 U.A./M.T. OR  
APPROXIMATELY DOLS 10/M.T.

4. DE GRUBEN STATED THAT THE COMMISSION HAS TAKEN THIS  
ACTION BECAUSE WORLD MARKET WHEAT  
PRICES HAD INCREASED RECENTLY, BUT THAT THE EC STILL HAS TO  
CONTINUE TO SUBSIDIZE ITS WHEAT IN WORLD MARKETS IN ORDER TO  
SELL. HE DENIED, HOWEVER, THAT THE COMMUNITY WAS UNDERCUTTING  
U.S. WHEAT AND DEPRESSING WORLD MARKET PRICES.

5. DE GRUBEN SAID THAT TOTAL HARVESTED ACREAGE FOR WHEAT WILL BE  
DOWN THIS YEAR IN THE COMMUNITY. HE SAID THAT THE COMMISSION  
NOW ESTIMATED 1975/76 PRODUCTION AT 1-2 MILLION METRIC TONS  
BELOW LAST SEASON.  
GREENWALD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WHEAT, EXPORTS, SUBSIDIES, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ECBRU04626  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750182-0262  
**From:** EC BRUSSELS  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Subject:** EC WHEAT EXPORT SUBSIDIES  
**TAGS:** EAGR, EPAP, ETRD, EEC  
**To:** STATE  
**Type:** TE  
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